

COMMISSIONERS
JEFF HATCH-MILLER - Chairman
WILLIAM A. MUNDELL
MARC SPITZER
MIKE GLEASON
KRISTIN K. MAYES



ARIZONA CORPORATION COMMISSION

Brian McNeil
Executive Director

Direct Line: (602)542-3935
Fax: (602)542-0752
E-Mail wmundell@azcc.gov

November 28, 2005

Chairman Hatch-Miller
Commissioner Spitzer
Commissioner Gleason
Commissioner Mayes

Re: Accipiter Complaint, T-03471A-05-0064;
Generic Docket Preferred Carrier Arrangements; T-00000K-04-0927
Generic Docket State of Telecom Competition in Arizona; T-00000I-04-0749

Dear Colleagues and Parties to the Docket:

I have read Commissioner Mayes' November 18, 2005 letter and I concur that the Settlement Agreement between Cox and Vistancia Communications should be made public. I also feel that it is in the public interest to hold a hearing on the Settlement Agreement.

Commissioner Mayes suggested in her letter that the details of the Settlement Agreement, as well as new evidence uncovered by Commission Staff, be included in the generic docket on preferred provider agreements. I agree. I would also suggest that this information be included in the generic docket on the state of competition in Arizona telecommunications markets.

When I initially requested that this Commission open a docket to examine telecom competition, I wanted to include a discussion of such "exclusive service arrangements" and whether they potentially hold the customer captive to a deal in which only the developer and the phone company benefit. A secret settlement is not conducive to this Commission's consideration of the broader issue – what is good for competition and consumers in Arizona.

That is why I agree that a hearing is necessary before the Settlement can be approved. It is important that this Commission thoroughly scrutinize this Settlement in order to ensure that it is in the best interest of the people of Arizona.

Sincerely,

A handwritten signature in black ink that reads "William A. Mundell". The signature is written in a cursive, flowing style.

William A. Mundell, Commissioner
Arizona Corporation Commission

cc: Brian McNeil
Ernest Johnson
Lyn Farmer
Chris Kempley
Heather Murphy